



REPLY TO
ATTENTION OF

**DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
FINANCIAL MANAGEMENT AND COMPTROLLER
109 ARMY PENTAGON
WASHINGTON DC 20310-0109**

September 20, 1999

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Eliminating the Army Working Capital Fund (AWCF), Supply Management Army (SMA) as a Source of Funds for Local Purchase Contracts and International Merchant Purchase Authorization Card (IMPAC) Purchases in Support of Single Stock Fund

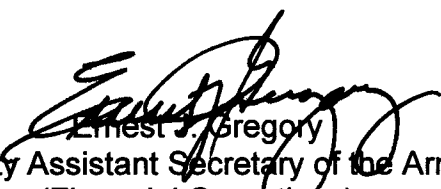
Under the Single Stock Fund concept, AWCF (SMA) will no longer be used to fund local purchases. These purchases must be funded directly by the end consumer. The Single Stock Fund (SSF) demonstration is scheduled to commence in April 2000 at three installations; Fort Sill, Fort Lewis, and Redstone Arsenal. Effective October 1, 1999, the three "demo" installations must cease using AWCF, SMA for new local purchase contracts and IMPAC purchases. Existing contracts must be modified to cite the appropriate consumer fund no later than January 1, 2000.

Single Stock Fund operations will be fielded to the rest of the Army beginning on October 1, 2000. In preparation for this fielding, all remaining Army installations will take action to cease using AWCF, SMA for local purchase contracts as follows:

- ◆ Existing contracts and delivery orders must be modified to cite consumer funds no later than June 1, 2000.
- ◆ Accounting codes on Government Purchase Cards (IMPAC) must cite only consumer funds effective with the first billing cycle in October, 2000.
- ◆ All new contracts effective for fiscal year 2001 must cite the appropriate consumer fund.

Business rules decided by the SSF Executive Steering Committee and transmitted by message number R211307Z, Subject: Excluding Specific Categories of Non-Army Managed Items from the Single Stock Fund (attached), call for all non-SARSS managed inventories (e.g. medical (TAMMIS), clothing (ACIIPS), subsistence (AFMIS), and engineering (IFS-M)) to be transferred out of the AWCF. Decisions on the successor inventory carrying appropriations are being worked by the Program Management Office, SSF, the functional area representatives and representatives from the OASA(FM&C). Installations and activities are advised to plan for contract modifications to change the appropriations cited on local purchase contracts for these items. Guidance will be published on the SSF homepage (<http://www.army.mil/ssf/index.html>) as the decisions are made.

Points-of-contact are William Swanson and LTC Alvesta Moore at 703-697-2687 or DSN: 227-2687.


Ernest S. Gregory
Deputy Assistant Secretary of the Army
(Financial Operations)

Attachment

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SUBJECT: EXCLUDING SPECIFIC CATEGORIES OF NON-ARMY MANAGED ITEMS

FROM THE SINGLE STOCK FUND

1. FOLLOWING A COMPREHENSIVE REVIEW OF NON-ARMY MANAGED ITEMS (NAMI), THE SINGLE STOCK FUND (SSF) EXECUTIVE STEERING COMMITTEE (ESC) HAS APPROVED THE GENERAL OFFICER WORKING GROUP (GOWG) RECOMMENDATION TO EXCLUDE SPECIFIC NAMI THAT ARE NOT SUPPORTED BY THE STANDARD ARMY RETAIL SUPPLY SYSTEM (SARSS) AND THE ARMY MATERIEL COMMAND INSTALLATION SUPPLY SYSTEM (AMCISS). SARSS- AND AMCISS-SUPPORTED NAMI INVENTORY WILL CONTINUE TO BE FINANCED BY THE ARMY WORKING CAPITAL FUND - SUPPLY MANAGEMENT ARMY (AWCF-SMA).

2. ACCORDINGLY, THE FOLLOWING INVENTORIES WILL NOT BE FINANCED BY THE AWCF-SMA AFTER 30 SEP 00:

A. CLASS I - SUBSISTENCE, SUPPORTED BY THE ARMY FOOD MANAGEMENT INFORMATION SYSTEM (AFMIS).

B. CLASS II - CLOTHING, SUPPORTED BY THE ARMY CLOTHING INITIAL ISSUE POINT SYSTEM (ACIIPS).

C. CLASS III - BULK PETROLEUM, SUPPORTED BY THE FUELS AUTOMATED SYSTEM (FAS).

D. CLASS IV - ENGINEER SUPPLIES, SUPPORTED BY THE INTEGRATED FACILITIES SYSTEM (IFS).

E. CLASS VIII - MEDICAL, SUPPORTED BY THE THEATER ARMY MEDICAL MANAGEMENT INFORMATION SYSTEM (TAMMIS).

3. PURCHASES OF ASSETS MANAGED IN THE EXCLUDED SYSTEMS SHOULD BE MADE WITH DIRECT CONSUMER FUNDS BY MAXIMIZING THE UTILIZATION OF PRIME VENDOR PROGRAMS, DIRECT VENDOR PURCHASES, AND DOD PURCHASE CARD PROGRAMS. SYSTEM PROPONENTS SHOULD BEGIN TO MAKE THE NECESSARY SYSTEM CHANGES/UPGRADES THAT WILL ALLOW THE DIRECT CITATION OF CONSUMER FUNDS. ADDITIONALLY, MACOM'S SHOULD BEGIN DIRECT CONSUMER FUNDING AS SOON AS THE NON-SARSS SUPPORTING SYSTEMS CHANGES ARE IN PLACE.

4. ATTRITION OF INVENTORIES MANAGED BY THESE SYSTEMS MUST BE COMPLETED AS FOLLOWS:

A. FOR THOSE AUTOMATED SYSTEMS HAVING AN IMPACT ON THE DEMONSTRATION SITES, THE PROPONENTS MUST PLAN TO HAVE STOCKS AND THE REQUISITIONS OUT OF AWCF-SMA 31 JAN 00.

B. FOR THOSE AUTOMATED SYSTEMS NOT INVOLVED IN THE DEMONSTRATION SITES, STOCKS AND REQUISITIONS MUST BE OUT OF AWCF-SMA NLT 31 JUL 00. THE OBJECTIVE IS TO MOVE THESE ITEMS OUT OF AWCF-SMA AS SOON AS POSSIBLE. OUR INTENT IS TO TRANSFER ANY AWCF-OWNED INVENTORIES REMAINING IN THESE SYSTEMS TO DEFENSE LOGISTICS AGENCY (DLA) ON 30 SEP 00.

5. THE SSF PROGRAM MANAGER IS CURRENTLY IN THE PROCESS OF

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COORDINATING WITH DLA TO TRANSFER CLASS II CLOTHING INVENTORIES TO THE DEFENSE WORKING CAPITAL FUND (DWCf) AND FORWARD STORE THESE ITEMS AT ARMY INSTALLATIONS. AFTER FURTHER EVALUATION, CLASS II RATIONS AND CLASS VIII MEDICAL ITEMS MAY ALSO BE CONSIDERED AS FORWARD STORED, DWCf FUNDED CANDIDATES. ADDITIONALLY, THE DLA FUELS AUTOMATED SYSTEM OF CLASS III - BULK POL IS MOVING FORWARD AT A FAST PACE. WHEN FULLY IMPLEMENTED, DLA WILL OWN ALL BULK POL INVENTORIES ON ARMY INSTALLATIONS.

6. THE EXCLUSION OF THE AFOREMENTIONED INVENTORIES WILL ELIMINATE INVENTORY MANAGEMENT REDUNDANCIES AND STREAMLINE FINANCIAL PROCESSES. DETAILED IMPLEMENTATION PROCEDURES WILL FOLLOW FROM ODCSLOG. WE NEED YOUR INVOLVEMENT AND SUPPORT TO MAKE THE TRANSITION A SMOOTH ONE.

7. DALO-SSF POC IS MR. BERT HERVEY, (703) 617-5614.

8. WARM REGARDS. BT

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